



Paris, April 26, 2011

## 2011 first quarter revenue

### Strong growth Activity and Performance in line with ALMA 2015 objectives

<i>in millions of euros</i>	Q1 2010	Q1 2011	<b>Q1 change 11/10 as published</b>	<b>Q1 change 11/10 comparable*</b>
Gas and Services	2,760	<b>3,185</b>	+15.4%	<b>+11.4%</b>
Engineering and Construction	185	<b>134</b>	-27.9%	-29.2%
Other Activities	207	<b>224</b>	+8.5%	+7.8%
<b>Total revenue</b>	3,152	<b>3,543</b>	<b>+12.4%</b>	<b>+8.8%</b>

\* comparable: excluding impact of currency and natural gas

Performance in the 2011 first quarter, in line with the ALMA 2015 objectives, was characterized by strong revenue growth despite a much higher comparator base, new efficiency gains and a high number of investment decisions.

**Group revenue** was **3,543 million euros**, up +12.4% on a published basis and **+8.8%** on a comparable basis. Published revenue benefited from a positive foreign exchange impact, primarily related to the appreciation of the yen, and a slight increase in the natural gas price.

**Gas and Services continued its growth** with a comparable increase of **+11.4%**, demonstrating a solid rise in activity levels in developing economies and confirming the recovery in advanced economies.

Efficiency programs continued, and net debt remains stable.

Investment decisions rose sharply compared to the first quarter of 2010, indicative of the **investment cycle's** continuing momentum.

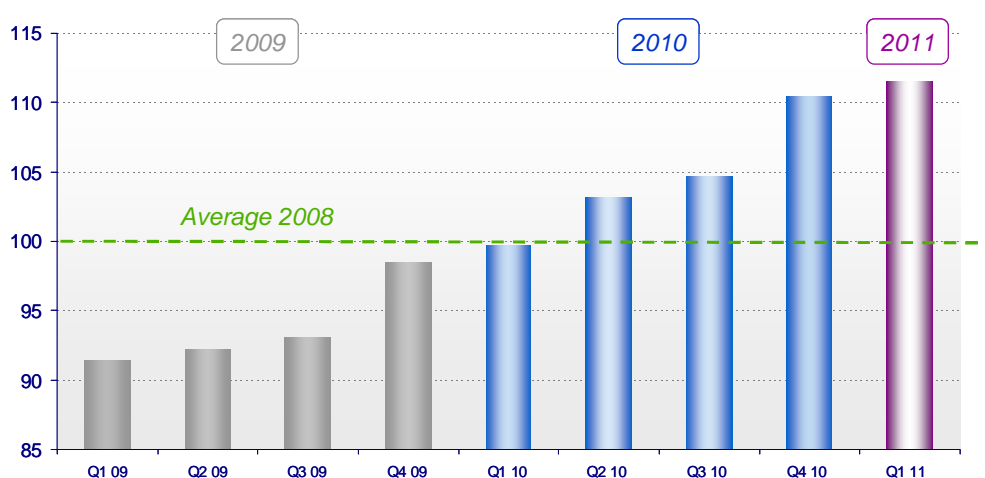
## 1. Revenue analysis

### 1.1 Gas and Services

The growth levels discussed below are all changes reported on a comparable basis, excluding the impact of currency and natural gas.

In the first quarter of 2011, **Gas and Services** revenue was **3,185 million euros, up +11.4%** compared to the first quarter of 2010. The performance was marked by growth in all regions of the world and all areas of activity, with an ongoing recovery in the advanced economies at +8% and continuing strong growth in the developing economies at +30%, primarily due to unit ramp-ups and site takeovers.

**Quarterly Gas and Services activity indicator, base 100, 2008 average\***



\* Comparable revenue adjusted for the number of days per month

### GAS AND SERVICES REVENUE BY ACTIVITY

Revenue in millions of euros	Q1 2010	Q1 2011	Q1 11/Q1 10 change	
			as published	comparable*
Industrial Merchant	1,106	<b>1,200</b>	+8.4%	<b>+4.2%</b>
Large Industries	936	<b>1,133</b>	+21.1%	<b>+17.4%</b>
Healthcare	466	<b>509</b>	+9.2%	<b>+7.8%</b>
Electronics	252	<b>343</b>	+36.1%	<b>+27.6%</b>
<b>Gas and Services</b>	<b>2,760</b>	<b>3,185</b>	+15.4%	<b>+11.4%</b>

\* comparable: excluding impact of currency and natural gas

Air Liquide achieved growth in all activities in the first quarter of 2011. The contribution of **ramp-ups, site takeovers and acquisitions to Gas and Services revenue growth amounted to +6.4%** over the quarter. The trends observed at the end of 2010 continued, with **Industrial Merchant** growth of +4.2%, driven by the momentum of developing economies, solid growth in Canada and the United States, and a

European recovery that remained modest. For the first time, cylinder volumes exceeded the level of 2008. The +17.4% growth for **Large Industries** was evident in all regions of the world, sustained by numerous start-ups during previous quarters and site takeovers in the second half of 2010. **Healthcare** grew by +7.8%, resuming a normal growth rate. Considerable growth in **Electronics** reflects the stimulus of specialty gas sales, the signature of new carrier gas contracts, particularly in China, and a high level of Equipment and Installation sales.

#### GAS AND SERVICES REVENUE BY GEOGRAPHICAL AREA

Revenue <i>in millions of euros</i>	Q1 2010	Q1 2011	Q1 11/Q1 10 change	
			<i>as published</i>	<i>comparable*</i>
Europe	1,497	<b>1,647</b>	+ 10.0%	<b>+ 7.3%</b>
Americas	643	<b>709</b>	+ 10.2%	<b>+ 10.5%</b>
Asia-Pacific	558	<b>759</b>	+ 35.9%	<b>+ 23.6%</b>
Middle East and Africa	62	<b>70</b>	+ 13.5%	<b>+ 10.4%</b>
<b>Gas and Services</b>	<b>2,760</b>	<b>3,185</b>	+15.4%	<b>+11.4%</b>

\* comparable: excluding impact of currency and natural gas

#### Europe

First quarter 2011 revenues were **1,647 million euros**, up **+7.3%**. The quarter benefited from a solid performance from all activities despite a low level of activity in Spain and an Industrial Merchant recovery in Western Europe that remained moderate.

**Industrial Merchant** activity declined slightly, at **-0.8%**. Excluding internal transfers, the trend was mildly positive. Developing economies grew by nearly +20%, thanks to start-up of new production capacities. Advanced economies picked up slightly. Only the Spanish market remains in decline. Cylinder volumes recovered and have now reached pre-crisis levels. Pricing has stabilized during the period. Management actions and price increases to compensate cost inflation predominantly in energy and transportation have been reinforced. They should have an effect at the end of 2011 and beginning of 2012.

**Large Industries** growth, at **+12.2%**, was based on an increase in hydrogen and oxygen volumes on the major pipeline networks, a syngas site takeover on the Ruhr valley pipeline in Germany, and start-ups at the end of 2010 in Italy and France.

**Healthcare** revenues rose **+6.6%** in the quarter, due to the steady performance of Homecare, strengthened by the consolidation of acquisitions in Germany and France. The level of hospital demand for medical gases remains steady throughout the region, despite continuing regulatory pressure on reimbursement rates. Hygiene has resumed a regular growth rate following the sales peak in 2009 related to the H1N1 virus.

**Electronics** sales rose sharply, at **+44.8%**, due to major Equipment & Installation sales for a new manufacturing unit in Italy and steady demand for specialty gases.

#### Americas

Revenue for the **Americas** was **709 million euros**, up **+10.5%**. All activities contributed to this performance, demonstrating the steady recovery in North America, at nearly +10%, and solid growth in South America, at +14%, related to sustained demand and the ramp-up of new units.

The trends seen in recent quarters for **Industrial Merchant** continued with growth of **+7.6%**, driven by an increase in bulk volumes and the success of a pricing campaign to cover higher transport costs in North America.

**Large Industries** revenue rose by **+10.9%** due to a site takeover in the United States, continuing ramp-ups of new units and strong hydrogen demand for the refining sector.

**Healthcare** increased by **+9.3%**, driven by a solid growth in medical gases in the United States and strong demand in both Homecare and Hospital activities in Latin America.

**Electronics** posted sales growth of **+29.9%**, primarily reflecting a high level of Equipment & Installation sales and start-up of new contracts.

## Asia-Pacific

**Asia-Pacific** revenue was **759 million euros** in the first quarter of 2011, up by **+23.6%**. All activities achieved substantial growth, generated mainly by the ramp-up of new production capacities in China, and Singapore and a site takeover in South Korea. The effect of the earthquake and tsunami in Japan was very limited in the first quarter, since virtually all the Air Liquide units are located in the south and west of the country where there was little impact on industrial activity. Significant Equipment and Installation sales during the period also mitigated the impact. Japan revenue remained up **+6%** in the quarter.

**Industrial Merchant** growth of **+10.5%** stemmed from sustained industrial development throughout the region, and specifically in China due to new liquid facilities.

**Large Industries** growth was **+47.1%** for the period, reflecting the numerous start-ups in the region over several quarters. Hydrogen volumes more than doubled due to the start-up of a major new unit in Singapore at the end of 2010 and a unit takeover in South Korea.

**Electronics** performed particularly well in the quarter, achieving an increase of **+21.3%** despite the events in Japan and a high comparator base. This performance is attributable to the start-up of several carrier and specialty gas contracts, and substantial Equipment and Installation sales, particularly in China and Japan. Demand for semi-conductors, flat screens and photovoltaic cells remains steady following year-end holidays, and sector inventory levels are under control.

## Middle East and Africa

Middle East and Africa revenue was **70 million euros**, up by **+10.4%**. In the absence of new Large Industries start-ups in the Middle East during the period, this performance reflects the resilience of demand and the activity's development in the industrial basins where the Group is present. Geopolitical events in Tunisia, Egypt and Ivory Coast had little impact on the region's performance.

## 1.2 Engineering and Construction

**Engineering and Construction** sales to third parties amounted to **134 million euros** (**-27.9%** as published), as a result of the lower order intake recorded in 2009. The workload remains high and sales are expected to pick up in the second half of 2011. Order intake amounted to 205 million euros in the first quarter. Based on the progress of projects under discussion, the 2011 annual order intake should be at least equivalent to that of 2010.

### 1.3 Other Activities

Revenue <i>in millions of euros</i>	Q1 2010	Q1 2011	Q1 11/10 change as published
Welding – Cutting	101	<b>113</b>	+12.1%
Diving and Specialty Chemicals	106	<b>111</b>	+4.9%
<b>Other Activities</b>	207	<b>224</b>	<b>+8.5%</b>

Revenue for **Other Activities** was 224 million euros, up **+8.5%**.

Following a stable 2010, Welding – Cutting activity rose by +12.1% with a robust recovery for consumables, whereas equipment sales remained at a low level. Specialty Chemicals revenue increased by +8% due to steady demand for industry, vaccine and cosmetic products. Diving was up +2% over the quarter.

## 2. Strategic advances in the 2011 first quarter

During the 2011 first quarter investments reflected the development of outsourcing, the growing demand for gas in developing economies, homecare acquisitions and new contracts in the photovoltaic sector.

- Air Liquide bolstered its presence in **Saudi Arabia** with the **signature of a new nitrogen supply contract** in Qurayyah, in the Eastern Province. Air Liquide will invest more than 25 million euros in a new air separation unit to supply this contract and provide a significant source of liquid products for the local market.
- In **Russia**, Air Liquide has signed its third long-term contract with Severstal, the steel leader in Russia. Air Liquide will supply oxygen, nitrogen and argon to a new steel plant in Balakovo, in the Saratov region (Federal District of the Volga).
- Air Liquide has established itself in the **Mexican** industrial gas market and, in return for a long-term contract, has invested over 70 million euros for the purchase from one of the major steelmakers in Mexico of a new air separation unit currently under construction.
- Air Liquide continues to grow in Western **India**. The Group will invest in an **air separation unit and a cylinder filling centre** in Pune, Maharashtra State. Following its expected start-up in 2012, the air gas unit will produce daily more than 200 tons of nitrogen and liquid oxygen for industrial and medical markets.
- In Homecare, new acquisitions have been signed in Europe. In **France in particular**, Air Liquide has acquired ADEP Assistance, which specializes in medical-technical assistance for the treatment of **respiratory failure at home**. ADEP Assistance cares for nearly 13,000 chronic patients in the Ile-de-France and Picardie regions.
- In the Electronics sector, Air Liquide has reinforced its leading position as a specialty gas supplier for the photovoltaic industry, with the signature of 15 new long-term contracts in China, Taiwan, Japan and Germany. In addition, Air Liquide, the leading gas supplier for the Electronics sector in the **Philippines**, will invest more than **22 million euros** for the construction and operation of a **new air gas separation unit** in the Calamba Premiere Industrial Park in the south of Luzon island. The new unit's commissioning is scheduled for the end of 2012, and the unit will produce **nitrogen gas** and over 200 tons of liquid oxygen and nitrogen daily. This production will meet the growing needs of equipment manufacturers in the high-technology sector established in the region of Luzon.

- Owing to the technological know-how of its engineering firm Lurgi, Air Liquide will enter the gasification sector for the first time, signing a long-term contract for **syngas purification** in China.

The Group's portfolio of **opportunities**, standing at **3.7 billion euros**, remains substantial, equivalent to the level of the last three years. Developing economies continue to represent nearly 80% of this portfolio.

**Investment decisions** amounted to nearly 500 million euros in the first quarter.

**Net capital expenditure** was 444 million euros in the first quarter.

Of the twenty start-ups scheduled for 2011, **three** took place during the first quarter.

---

### 3. Profitability and indebtedness

The Group achieved **60 million euros** of efficiency from the numerous ongoing projects, many of which were initiated in 2010. The year's target of more than 200 million euros is confirmed.

Net debt at the end of quarter was 5,093 million euros, almost stable relative to year end 2010 despite the increase in capital expenditure and the launch of a share buy-back programme for one million shares.

---

### 4. Outlook

This 1<sup>st</sup> quarter is characterized by strong growth in revenue from Gas & Services, which logged its highest-ever sales figure. It is a confirmation of the growth momentum undertaken by the Group and of the positive outlook for gas-consuming markets.

As an indicator of medium term growth, the signing of new contracts has continued at a strong pace: the high level of investment decisions, totaling nearly 500 million euros for the 1<sup>st</sup> quarter, is evidence of the trend.

These contracts illustrate the Group's ability to stake out positions in new geographies or market sectors such as Energy and the Environment. The diversity in our global footprint and in our markets, the pursuit of our efficiency programs and our solid balance sheet are key assets for implementing our ALMA 2015 program.

In this context, Air Liquide is confident in its ability to continue to generate steady growth of net profit in 2011.

## APPENDIX

## CURRENCY AND NATURAL GAS IMPACTS

In addition to the comparison of published figures, financial information is given excluding currency, the impact of natural gas price fluctuations and significant scope effect.

Since industrial and medical gases are rarely exported, the impact of currency fluctuations on activity levels and results is limited to euro translation impacts with respect to the financial statements of subsidiaries located outside the Euro-zone. Fluctuations in natural gas prices are generally passed on to our customers through indexed pricing clauses.

Consolidated 2011 first quarter revenue includes the following:

<i>in millions of euros</i>	<b>Q1 2011 Revenue</b>	<b>Q1 change as published</b>	<b>Currency impact</b>	<b>Natural gas impact</b>	<b>Q1 change comparable*</b>
Group	<b>3,543</b>	+12.4%	+3.2%	+0.4%	+8.8%
Gas and Services	<b>3,185</b>	+15.4%	+3.5%	+0.5%	+11.4 %

\* comparable: excluding impact of currency and natural gas

- The **currency** impact was **+100 million euros**, representing a positive impact of **+3.2%** on Group growth, essentially due to the appreciation of the yen and Singaporean dollar against the euro.
- **Natural gas prices** have steadied since the fourth quarter, the slight decline in the United States having been offset by the modest rise in Europe. Overall, the change in the natural gas price represents an impact of **+13 million euros**, or **+0.4%**, on Group revenue and **+0.5%** on Gas and Services revenue.